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STATE FOR EB A/S DSULLIVAN, NEA/FO, NEA/ARPI, NEA/I, T, ISN
TREASURY FOR DEPSEC RKIMMITT, DAS ASAEED, U/S SLEVEY
NSC FOR DMCCORMICK, EABRAMS, NRAMCHAND

E.O. 12958: DECL: 09/10/2016

TAGS: PGOV PREL EAID ETTC IR IQ AE

SUBJECT: DEPSEC KIMMITT DISCUSSES IRAQ COMPACT, IRAN WITH
ABU DHABI CROWN PRINCE

REF: A. ABU DHABI 3097

1B. STATE 148160

Classified By: Ambassador Michele J. Sison, for reasons 1.4 b and d.

11. (S/NF) Summary. On September 9, Treasury Deputy Secretary Robert Kimmitt met with Abu Dhabi Crown Prince Mohammed bin Zayed Al-Nahyan (MbZ) to discuss the Iraq Compact Preparatory Group Meeting being hosted in Abu Dhabi the next day. MbZ stressed that the UAE will do all it can to assist Iraq, but he also emphasized that the UAEG desires more consultations with the USG on the situation in, and plans for, Iraq. MbZ said that the UAE does not want to be included in discussions only in cases where its assistance is needed. MbZ and DepSec Kimmitt discussed the challenge of limiting and countering Iranian influence in Iraq, and MbZ inquired whether splitting Iraq might help achieve stability. DepSec Kimmitt told MbZ that the USG is committed to ensuring that Iran cannot continue to use the international financial system to finance terrorism and WMD proliferation networks, and he informed MbZ that the U.S. had recently taken action against Iran-owned Bank Saderat. End summary.

12. (C) On September 9, DepSec Kimmitt, EB A/S Daniel Sullivan, Treasury DAS Ahmed Saeed, Ambassador, and Econoff met with MbZ, Foreign Minister Abdullah bin Zayed Al-Nahyan, and MbZ's International Affairs Director Yousef Al-Otaiba to discuss the September 10 Iraq Compact Preparatory Group Meeting. DepSec Kimmitt began the meeting by thanking the UAEG for agreeing to host the next day's meeting, and he conveyed the appreciation of the President, Secretary Rice, and Secretary Paulson. "It is good for the Iraqis to know that their Gulf neighbors are working for their success," Kimmitt said. He expressed optimism for the success of the meeting and said that it would lay the groundwork to ensure that the meetings in New York and Singapore are effective. Noting that Iraq's delegation includes five ministers, DepSec Kimmitt said, "This meeting is the Iraqi's chance to lay out their economic development plan and to impress on the representatives from 20 different countries and international organizations the seriousness with which they take the challenges ahead of them."

13. (C) MbZ said that the UAE will do everything it can to help improve the situation in Iraq. He acknowledged, however, that agreeing to host the meeting had not been an easy decision for the UAEG, and he outlined some of the reasons for the hesitancy. MbZ explained that the UAEG believes it has not been kept sufficiently in the loop about

plans and intentions in Iraq. He expressed concern that the U.S. and the international community reach out to the UAEG only when its assistance is needed, and that "when we are not needed, no one will tell us what is going on." Noting that many people in the UAE and the region "do not see the light at the end of the tunnel," MbZ said that the UAE's views and opinions have often been discounted. "We had an opinion about the best structure for the Iraqi Government, but no one was listening...And now, because of some of the decisions that were made, more people are dying." He contrasted this with the situation in Afghanistan, where he felt the UAE had less at stake but greater visibility, and therefore a larger role. Comment: The UAEG expressed frustration in 2003 when it felt the USG had not sufficiently consulted them regarding the United States' plans for Iraq. MbZ's comments are likely a reference to the UAE's cumulative frustration, rather than a comment solely on the current level of dialogue. End comment.

¶4. (C) DepSec Kimmitt assured MbZ that the USG wants -- and has sought -- opinions and suggestions from Iraq's neighbors, and that the USG values the UAE's unique perspective. Kimmitt cited his July meetings in the UAE and the region as testimony that the USG recognizes the importance of consultation with the Gulf countries (ref A). Pointing out that Iraqi Prime Minister Maliki's first trip abroad had been to the Gulf, Kimmitt assured MbZ that "both the U.S. and the Iraqi governments recognize that the first line of support for Iraq must come through the Gulf countries." He noted, however, that it is up to the Iraqis to engage in direct communication with the UAEG and other Gulf countries. MbZ concurred, but he noted wryly that "Maliki's visit to the Gulf did not go as well as you think."

¶5. (C) MbZ asked if the USG had ever considered "splitting up

ABU DHABI 00003565 002 OF 002

Iraq." DepSec Kimmitt replied that the USG assesses such an action would not bring Iraq long-term stability and might increase Iranian influence in southern Iraq. "We believe the best chance for long term stability is to develop a unified government that rules from the center, but respects differences among its population." Kimmitt told MbZ that Iraq's draft Hydrocarbon Law (which would be discussed during the Iraq Compact meeting) would be a good opportunity for the Iraqi government to demonstrate to its people that a unified government can fairly allocate resource revenues among the population.

¶6. (C) Turning to a discussion of Iranian involvement in Iraq, MbZ noted that it is very difficult to "control" Iran's meddling in the country. He noted that the close ties the Iraqi Government maintains with Iran (citing Maliki's planned September 11 visit to Tehran) makes it especially difficult to ensure that Iraq's political decisions are not influenced by Iran. Kimmitt agreed and noted that the USG is concerned about Iranian meddling in the region, its continued support to terrorist organizations, and its continued efforts to develop missile and WMD programs.

¶7. (S/NF) Noting that Iran uses formal financial institutions to finance its programs, DepSec Kimmitt told MbZ that the USG will be reaching out to governments and banks in Europe, the Middle East, and Asia to warn them about the dangers of conducting business with Iranian financial institutions. "We are working with friends and allies to deny terrorist and WMD procurement networks access to financial systems." In this vein, DepSec Kimmitt told MbZ that the USG had recently taken steps to cut-off Iran-based Bank Saderat from the U.S. financial system (ref B). MbZ agreed with DepSec Kimmitt's concerns about Iran, and said that the UAEG will be happy to help the USG's efforts "wherever we can." He also expressed his desire to be kept more "in the loop" about the U.S. plans and intentions for Iran and noted, "I think the region should be more aware of the plan for what will happen. It is important to have a more open dialogue."

¶8. (SBU) DepSec Kimmitt has cleared this message. Iraq
Compact meetings reported septel.
SISON